

## **2005 DRAFTING REQUEST**

### **Assembly Substitute Amendment (ASA-AB641)**

Received: **10/06/2005**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Steve Wieckert (608) 266-3070**

By/Representing: **Scott**

This file may be shown to any legislator: **NO**

Drafter: **mshovers**

May Contact:

Addl. Drafters: **jkreye**

Subject: **Tax, Individual - dedct/sbtrct  
Tax, Business - crp inc, fran  
Econ. Development - housing**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Wieckert@legis.state.wi.us**

Carbon copy (CC:) to: **joseph.kreye@legis.state.wi.us**

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#### **Pre Topic:**

No specific pre topic given

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#### **Topic:**

Individual and corporate income tax exemption for interest on certain WHEFA bonds; re: educational facility

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#### **Instructions:**

See Attached. Same as AB 555 (LRB -2699/1)

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#### **Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mshovers 10/06/2005	kfollett 10/06/2005		_____			
/1			rschluet 10/06/2005	_____	sbasford 10/06/2005	sbasford 10/06/2005	
/2	mshovers 11/11/2005	jdye 11/14/2005	pgreensl 11/14/2005	_____	lemery 11/14/2005	lemery 11/14/2005	

FE Sent For:

<END>

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/1		12/14 JLD	rschluet 10/06/2005	11/14 PSI	sbasford 10/06/2005	sbasford 10/06/2005	

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FE Sent For:

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JTK  
JTK

ASA to

2005 ASSEMBLY BILL 555

641

FMR

July 7, 2005 - Introduced by Representatives WIECKERT, JENSEN, NISCHKE, MCCORMICK, MUSSER, VOS, VAN ROY, TOWNSEND, BALLWEG, NASS, LOTHIAN, JESKEWITZ, HINES, OTT and VRAKAS, cosponsored by Senator A. LASEE. Referred to Committee on Colleges and Universities. Referred to Joint Survey Committee on Tax Exemptions.

(reg)

1 AN ACT *to renumber* 231.01 (4m) (a) and (b); *to amend* 231.01 (4m) (intro.) and  
2 231.01 (5w); and *to create* 71.05 (1) (c) 7., 71.26 (1m) (h), 71.45 (1t) (h) and  
3 231.01 (4m) (b) of the statutes; **relating to:** creating an individual and  
4 corporate income tax exemption for interest on bonds or notes issued by the  
5 Wisconsin Health and Educational Facilities Authority for purposes related to  
6 an educational facility and authorizing the Wisconsin Health and Educational  
7 Facilities Authority to issue bonds to finance a project undertaken by the  
8 Wisconsin Association of Independent Colleges and Universities related to an  
9 educational facility.

***Analysis by the Legislative Reference Bureau***

Under current law, the Wisconsin Health and Educational Facilities Authority (WHEFA) may issue bonds to finance any project undertaken by an educational institution for an educational facility. The bill creates an individual and corporate income tax exemption for bonds issued by WHEFA for that purpose on or after the effective date of the bill. An educational institution is currently defined to mean a corporation, agency, or association that is authorized by state law to provide or operate an educational facility. The bill expands that definition to include the

substitute amendment

**ASSEMBLY BILL 555***substitute amendment*

Wisconsin Association of Independent Colleges and Universities. An educational facility is currently defined to mean a private, nonprofit, regionally accredited, postsecondary educational institution. The bill expands that definition to include an institution, place, building, or other structure used by the Wisconsin Association of Independent Colleges and Universities solely for providing one or more supporting services to one or more educational institutions.

This bill will be referred to the Joint Survey Committee on Tax Exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

✓  
1       **SECTION 1.** 71.05 (1) (c) 7. of the statutes is created to read:

2       71.05 **(1)** (c) 7. The Wisconsin Health and Educational Facilities Authority  
3       under s. 231.03 (6) (c), on or after the effective date of this subdivision .... [revisor  
4       inserts date], to finance any project undertaken for an educational facility.

✓  
5       **SECTION 2.** 71.26 (1m) (h) of the statutes is created to read:

6       71.26 **(1m)** (h) Those issued under s. 231.03 (6) (c) on or after the effective date  
7       of this paragraph .... [revisor inserts date].

✓  
8       **SECTION 3.** 71.45 (1t) (h) of the statutes is created to read:

9       71.45 **(1t)** (h) Those issued under s. 231.03 (6) (c) on or after the effective date  
10      of this paragraph .... [revisor inserts date].

✓  
11      **SECTION 4.** 231.01 (4m) (intro.) of the statutes is amended to read:

12      231.01 **(4m)** (intro.) "Educational facility" means ~~a~~ any of the following:

13      (a) A facility used for education by a private institution that is described in  
14      section 501 (c) (3) of the Internal Revenue Code, ~~as defined in s. 71.22 (4), and~~ and that  
15      is exempt from federal taxation under section 501 (a) of the Internal Revenue Code,  
16      and that satisfies any of the following:

# ASSEMBLY BILL 555

1           **SECTION 5.** 231.01 (4m) (a) and (b) of the statutes are renumbered 231.01 (4m)

2           (a) 1. and 2.

3           **SECTION 6.** 231.01 (4m) (b) of the statutes is created to read:

231.01 **(4m)** (b) An institution, place, building, or other structure used by the  
Wisconsin Association of Independent Colleges and Universities solely for providing  
one or more supporting services to one or more institutions specified in par. (a).

7        **SECTION 7.** 231.01 (5w) of the statutes is amended to read:

231.01 (5w) “Participating educational institution” means the Wisconsin Association of Independent Colleges and Universities or a corporation, agency, or association which that is authorized by state law to provide or operate an educational facility and ~~which, if the Wisconsin Association of Independent Colleges and Universities or the corporation, agency, or association~~ undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in this chapter.

15            **SECTION 8. Initial applicability.**

(1) The treatment of sections 71.05 (1) (c) 7., 71.26 (1m) (h), and 71.45 (1t) (h) of the statutes first applies to taxable years beginning on January 1 of the year in which this subsection takes effect, except that if this subsection takes effect after July 31 the treatment of sections 71.05 (1) (c) 7., 71.26 (1m) (h), and 71.45 (1t) (h) of the statutes first applies to taxable years beginning on January 1 of the year following the year in which this subsection takes effect.

22 (END)



State of Wisconsin  
2005 - 2006 LEGISLATURE

LRBs0243/1  
MES&JTK:cmh:rs

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ASSEMBLY SUBSTITUTE AMENDMENT ,  
TO 2005 ASSEMBLY BILL 641

SOON

repen

1 AN ACT *to renumber* 231.01 (4m) (a) and (b); *to amend* 231.01 (4m) (intro.) and  
2 231.01 (5w); and *to create* 71.05 (1) (c) 7., 71.26 (1m) (h), 71.45 (1t) (h) and  
3 231.01 (4m) (b) of the statutes; **relating to:** creating an individual and  
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5 Wisconsin Health and Educational Facilities Authority for purposes related to  
6 an educational facility and authorizing the Wisconsin Health and Educational  
7 Facilities Authority to issue bonds to finance a project undertaken by the  
8 Wisconsin Association of Independent Colleges and Universities related to an  
9 educational facility.

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***Analysis by the Legislative Reference Bureau***

Under current law, the Wisconsin Health and Educational Facilities Authority (WHEFA) may issue bonds to finance any project undertaken by an educational institution for an educational facility. The substitute amendment creates an individual and corporate income tax exemption for bonds issued by WHEFA for that purpose on or after the effective date of the substitute amendment. An educational



institution is currently defined to mean a corporation, agency, or association that is authorized by state law to provide or operate an educational facility. The substitute amendment expands that definition to include the Wisconsin Association of Independent Colleges and Universities. An educational facility is currently defined to mean a private, nonprofit, regionally accredited, postsecondary educational institution. The substitute amendment expands that definition to include an institution, place, building, or other structure used by the Wisconsin Association of Independent Colleges and Universities solely for providing one or more supporting services to one or more educational institutions.

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3 under s. 231.03 (6) (c), on or after the effective date of this subdivision .... [revisor  
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5           **SECTION 2.** 71.26 (1m) (h) of the statutes is created to read:

6           71.26 (1m) (h) Those issued under s. 231.03 (6) (c) on or after the effective date  
7 of this paragraph .... [revisor inserts date].

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3           **SECTION 6.** 231.01 (4m) (b) of the statutes is created to read:

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15                    **SECTION 8. Initial applicability.**

(1) The treatment of sections 71.05 (1) (c) 7., 71.26 (1m) (h), and 71.45 (1t) (h) of the statutes first applies to taxable years beginning on January 1 of the year in which this subsection takes effect, except that if this subsection takes effect after July 31 the treatment of sections 71.05 (1) (c) 7., 71.26 (1m) (h), and 71.45 (1t) (h) of the statutes first applies to taxable years beginning on January 1 of the year following the year in which this subsection takes effect.

22 (END)